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IN THE

Supreme Court of the United States

OCTOBER TERM, 1947

No. .....

ERD V. CROWELL,

Petitioner,

vs.

BAKER OIL TOOLS, INC., a corporation,

Respondent.

Petition for Writ of Certiorari to the United States Circuit Court of Appeals for the Fifth Circuit.

To the Honorable, The Supreme Court of the United States:

Petitioner, Erd V. Crowell, represents that—

Summary and Short Statement of the Matter Involved.

I.

On May 20, 1942, Baker Oil Tools, Inc., respondent herein, as plaintiff, filed suit for declaratory relief under Title 28, §400 of the United States Code in the District Court for the Central Division of the Southern District of California, said suit being Civil Action No. 2243-B, and in the complaint of said action alleged as grounds therefor that defendant therein (petitioner here) owns

certain United States Letters Patent on Oil Well Cementing Means and Methods, and had threatened said plaintiff Baker Oil Tools, Inc., with suit for infringement.

II.

In answer to the complaint mentioned in the immediately foregoing paragraph hereof, said defendant Crowell took issue on all grounds alleged for declaratory relief and filed a counterclaim for infringement of said Letters Patent, said patents being No. 2,168,735, granted August 8, 1939, to Gilstrap and Baurmann, of which said plaintiff Crowell was the owner, patent No. 2,177,172, granted October 24, 1939, and patent No. 2,223,442, granted December 3, 1940, the last two patents being granted to said Erd V. Crowell and owned by him.

III.

After preliminary proceedings not necessary here in this short, summary statement to be amplified, the said cause 2243-B came on for trial on plaintiff, Baker Oil Tools, Inc.'s complaint and defendant Crowell's counterclaim of infringement, before the Honorable Campbell E. Beaumont, Judge of said District Court for the Southern District of California, who, at the conclusion of the trial. rendered an oral opinion which was filed January 13, 1945, and findings and conclusions [Tr. 22] and judgment [Tr. 34] duly filed and entered September 27, 1944, finding all the claims in suit (not all the claims in the patents sued on) to be not infringed, and said claims in suit to be invalid.

IV.

Thereafter in due time said defendant Erd V. Crowell (petitioner herein) appealed to the United States Circuit

Court of Appeals for the Ninth Circuit from said last-mentioned judgment, which, after due proceedings, was numbered in the Circuit Court of Appeals No. 10,997, and after briefs duly filed and hearing in said Circuit Court of Appeals for the Ninth Circuit at Los Angeles, the said judgment of the District Court appealed from was affirmed, and said patents in suit and the claims charged to be infringed were found invalid and not infringed. Said Circuit Court of Appeals' opinion is dated February 28, 1946, and is reported at 68 U. S. P. Q. 385 and 153 F. (2d) 972.

V.

The District Court's jurisdiction of said declaratory relief prayed in said action 2243-B was based upon the Federal Declaratory Judgments Act, Title 28, §400, United States Code, and said court's jurisdiction of the counter-claim of Crowell was based upon the Patent Laws of the United States, and specifically upon Title 28, §41, subdivision (*7*) of the United States Code—which jurisdiction has never been questioned by either party, and was relied upon in said appeal 10,997 and in said decision of the Circuit Court of Appeals for the Ninth Circuit in the decision mentioned in the immediately preceding paragraph hereof.

VI.

On December 28, 1946, said Erd V. Crowell, petitioner herein, filed in the Wichita Falls Division of the Northern District of Texas his complaint [Tr. 3] against said Baker Oil Tools, Inc. (respondent herein), which action was numbered Civil Action No. 394. Such action was thereafter transferred to the Dallas Division of the Northern District of Texas by stipulation [Tr. 9] of the parties,

and re-numbered as Civil Action No. 2442 in said Dallas Division. In such complaint many of the same claims involved in the prior California litigation, appeal No. 10,997, Ninth Circuit, were involved, but some of said claims were not sued on in said Texas suit, and other claims not in issue in the California litigation were added as charged to be infringed.

VII.

The said infringement charged in said Texas suit was of course infringement other than charged in said California litigation, as every act of making, every act of seilling, and every act of using, separately, under elementary law (as shown more fully in the attached brief) constitutes infringement—and none of such acts complained of in the Texas suit had been committed at the time of final judgment in the California litigation above referred to.

VIII.

We need not trace the course of said Texas suit, as it is not presently material. A little over a month later, namely January 1, 1947, after filing said Texas suit, said Baker Oil Tools, Inc., filed in the District Court for the Central Division of the Southern District of California, an action against the said Erd V. Crowell as defendant, purportedly for declaratory relief, which was numbered in said court 6368-B, requesting, among other things, that said Erd V. Crowell be restrained from further prosecution of said Texas suit. (Said Erd V. Crowell has ordered his records on a petition for certiorari, to be shortly filed, to the Ninth Circuit. We shall suggest that both petitions be considered by this court at the same time.)

IX

On March 27, 1947, said Erd V. Crowell filed in the original suit, judgment in which was affirmed by said Circuit Court of Appeals of the Ninth Circuit, as set forth in paragraph IV of this petition, his motion "to construe or, alternately, to correct, revise or vacate in whole or in part the permanent injunction of said District Court entered September 27, 1944, and the injunction writ issued in pursuance thereof."

Crowell also, in said motion, requested the District Court for a ruling as to whether he had violated said injunction by bringing and maintaining said Texas suit. Such violation was alleged in the complaint in said suit, 6368-B, and denied in said Crowell's answer thereto.

X.

Said Baker Oil Tools, Inc., joined us in asserting that said injunction in action 2243-B needed interpretation and revision, serving and filing a motion on behalf of Baker Oil Tools, Inc., to amend and revise said injunction in said suit 2243-B.

XI.

Thereafter, on April 16, 1947, both of said motions referred to in immediately preceding paragraphs hereof were argued orally before Judge Beaumont, and while the District Court in its oral opinion did not dismiss said Civil Action No. 6368-B, it declined to enjoin Crowell from proceeding with the Texas suit 2442, but immediately thereafter opposing counsel, Oscar A. Mellin, representing said Baker Oil Tools, Inc., voluntarily dismissed said suit 6368-B without prejudice.

XII.

As hereinabove stated, the said Erd V. Crowell filed said suit against Baker Oil Tools, Inc., in the Wichita Falls Division of the Northern District of Texas. By stipulation of the parties thereto, said action was transferred to the Dallas Division of the Northern District of Texas. Thereafter opposing counsel repeatedly stipulated for additional time to answer Crowell's complaint, filed interrogatories, answered interrogatories on behalf of said Crowell. The case was set for trial, and shortly before trial counsel for Baker Oil Tools, Inc., presented a motion to dismiss said cause on the ground of *res judicata,* basing said motion on prior proceedings in the California courts, finding the patents in suit invalid and non-infringed—such finding, however, being only as to certain claims, some of which were sued on again in the Texas suit, and others involved in the California litigation were not charged to be infringed, and such claims not charged to be infringed were expressly refused to be passed upon by the California court because not in issue in said action 2243-B, as will appear from the opinion of said court of appeals for the Ninth Circuit, 153 F. (2d) 972 (in our attached brief commented upon).

XIII.

Said motion to dismiss on behalf of said Baker was filed April 15, 1947. Said motion was heard orally by the Judge of the District Court for the Northern District of Texas on April 24, 1947, and was granted by the court, a summary judgment of dismissal being entered.

XIV.

On June 10, 1943, said Erd V. Crowell filed his notice of appeal [Tr. 41] from said summary judgment of dismissal (entered April 24, 1943, by said District Court at Dallas) on the ground of *res judicata*, and immediately thereafter, in due and proper form, a transcript of the record was prepared, filed in the Clerk's office of the Circuit Court of Appeals for the Fifth Circuit, briefs of both parties in due time were filed, and on November 19, 1947, the appeal was argued orally before said Circuit Court of Appeals for the Fifth Circuit and submitted for decision. On December 4, 1947, the Circuit Court of Appeals for the Fifth Circuit rendered its decision, affirming the summary dismissal of said cause on the ground of *res judicata* by the District Court.

XV.

On December 23, 1947, before mandate was filed, opposing counsel for said Baker Oil Tools, Inc., filed a motion in the District Court of Dallas for the allowance of ten thousand dollars attorneys' fees to the said Baker Oil Tools, Inc., which motion was heard by Judge Atwell at Dallas on January 5, 1948, who awarded to said movent the sum of one thouand dollars attorneys' fees, and on January 6, 1948, the mandate of the Circuit Court of Appeals for the Fifth Circuit was issued to the Clerk of said District Court, and thereafter filed and entered in said District Court.

XVI.

Statement Particularly Disclosing the Basis Upon Which It Is Contended the Supreme Court Has Jurisdiction to Review the Judgment Referred to, Namely the Judgment and Its Affirmance in Civil Action 2442, Dallas.

We believe sufficient basis for the court's granting this petition is found in paragraph (b), subdivision (5) of Rule 38 of this court, contending that the Circuit Court of Appeals for the Fifth Circuit and the District Court for the Northern District of Texas have each decided important questions of federal law in conflict with applicable decisions of this court, and has so far departed from the accepted and usual course of judicial proceedings, and that said Circuit Court of Appeals has so far ignored a departure by the trial court, as to call for an exercise of this court's power of supervision, all which is fully explained and decisions cited and discussed in the brief on behalf of Petitioner filed herewith—also contending that the allowance of attorneys' fees by said District Court was beyond the District Court's jurisdiction and *not* allowable under the circumstances—all as explained in petitioner's brief accompanying this petition.

XVII.

The Questions Presented; Still Complying With Rule 38, Subdivision 2.

(1) Was it proper for said Circuit Court of Appeals for the Fifth Circuit to affirm the summary judgment [Tr. 40] of dismissal on the ground of *res judicata* in said suit 2442 Dallas, Erd V. Crowell, Plaintiff, vs. Baker

Oil Tools, Inc., Defendant, on the ground of *res judicata* because of any prior proceedings in the California courts, or otherwise.

(2) Was it proper for said Circuit Court of Appeals to affirm said summary judgment of dismissal on the ground of *res judicata* as to claims *not* adjudicated by the California courts and refused to be adjudicated by them because not in issue in said California litigation?

(3) Was it proper for said District Court of the Northern District of Texas and said Circuit Court of Appeals for the Fifth Circuit to, respectively, decide and affirm that the matter of claims which had been passed upon by said California courts was *res judicata*—all in view of the many and totally *ignored* decisions to the contrary as set forth in the accompanying brief?

(4) Was it proper for said District Court and said Circuit Court of Appeals for the Fifth Circuit to affirm a summary dismissal on the ground of *res judicata* upon the ground that after some claims of the patent had been adjudicated as invalid they had no jurisdiction of another suit involving the same or other claims not passed upon in another jurisdiction?

XVIII.

Was it proper for said District Court at Dallas, before or after affirmance by said Circuit Court of Appeals, to allow any attorneys' fees to said Baker Oil Tools, Inc.? (We will show in our accompanying brief that there is no law authorizing any such allowance.)

XIX.

The Reasons for Allowance of Writ of Certiorari, Rule 38, Subdivision 2.

(1) The entry of said summary dismissal on the ground of *res judicata* and its affirmance by said Circuit Court of Appeals for the Fifth Circuit ignores, disregards and is contrary to an established practice of the Supreme Court of the United States for the past fifty-seven years (as explained and developed in our accompanying brief).

(2) Applying all proper rules of *res judicata*, the grounds for the dismissal referred to in the immediately preceding stated reason are not *res judicata*.

(3) In the allowance of one thousand dollars attorneys' fees on an erroneous dismissal based upon a failure to consider and be bound by prior decisions of this court, the said District Court has so far departed from the accepted and usual course of judicial proceedings as to call for an exercise of this court's power of supervision.

(4) The cases and decisions cited in said court of appeals' decision do not sustain the actions of the courts of which we complain (as shown in the accompanying brief).

Wherefore, petitioner prays that a writ of certiorari be directed to said Circuit Court of Appeals of the Fifth Circuit, and that this court review and correct the erroneous decisions heretofore recited.

Respectfully submitted,

ERD V. CROWELL,

By EMORY L. GROFF,

His Attorney.

IN THE

Supreme Court of the United States

October Term, 1947.

No. .....

ERD V. CROWELL,

Petitioner,

vs.

BAKER OIL TOOLS, INC., a corporation,

Respondent.

Brief of Petitioner in Support of Petition for Certiorari to the Circuit Court of Appeals for the Fifth Circuit.

In the foregoing petition for certiorari we have, in our "Summary and Statement of the Matter Involved," paragraphs I through XV, set forth, we believe sufficiently, the pertinent circumstances, and will later repeat such circumstances as occasion arises in our following brief:

This Court Has Jurisdiction to Review on Certiorari, Order of the District Court, Northern District of Texas, Dallas Division, and That of the Circuit Court of Appeals for the Fifth Circuit.

In paragraph XVI of our petition we cited paragraph (b), subdivision 5, of Rule 38 of this court, alleging that said Circuit Court of Appeals for the Fifth Circuit and said District Court for the Northern District of Texas

have each decided important questions of federal law in conflict with applicable decisions of this court, and have so far departed from the accepted and usual course of judicial proceedings, and said Circuit Court of Appeals has so far ignored a departure by the trial court, as to call for exercise of this court's power of supervision. We now cite and consider authorities in support of said statements:

In the first place, the trial court in the summary order of dismissal of said Civil Action 2442 [order of dismissal entered October 24, 1947, transcript of record, page 40] stated that it appeared to the "court that this action involves the same parties, the same devices and same patents, and the rights of the parties have been adjudicated by the decision of the United States Circuit Court of Appeals, Ninth Circuit, Erd V. Crowell vs. Baker Oil Tools, Inc., 153 F. (2d) 972." The last paragraph of said order is as follows:

> "It Is Hereby Ordered and Adjudged that defendant's motion for summary judgment on the ground of *res judicata* is hereby sustained; that further proceedings in this case are hereby dismissed; and that costs be assessed against plaintiff."

We contend that nothing that happened in the Crowell litigation as shown by the decision of the Circuit Court of Appeals for the Ninth Circuit, reported 153 F. (2d) 972, nor as related in defendant's answer to our complaint, nor as shown by exhibits attached thereto, namely

Exhibit 1 [Tr. p. 22] findings and conclusions, Exhibit 2 [Tr. 34] judgment [Tr. p. 40], or Exhibit 3, injunction of the California District Court, to sustain application of the doctrine of *res judicata* under any decisions of the United States Supreme Court.

When we say that there is no law to support the summary judgment appealed from, we mean that for fifty-six years—since 1891—the Supreme Court of the United States has specially provided by rule for solving conflicts between United States courts of different jurisdictions as to validity and infringement of Letters Patent by recognizing the propriety of such suits and, in fact, in the interests of uniformity of decisions, inviting such suits; and never during such period of fifty-six years has the Supreme Court refused to take any such case on certiorari and to decide on the merits as to validity and infringement of Letters Patent.

If the present judgment appealed from be sustained by this court, and such decision approved by the Supreme Court on certiorari, this will end all possibility of certiorari proceedings in patent suits and overrule or reverse all decisions of the United States Supreme Court in such proceedings for the past fifty-six years.

In the textbook entitled "Jurisdiction of the Supreme Court of the United States," published in 1936 by Robertson and Kirkham, at §112, the authors say:

> "By far the greatest number of cases considered by the Supreme Court are those coming by certiorari to the Court of Appeals. This jurisdiction is conferred and delimited by §240a, of the Judicial Code, 28 U. S. C., 347."

In Chapter 35, §292 of said textbook (Robertson & Kirkham), appears the following (our italics):

> "Where the decision of the Circuit Court of Appeals sought to be reviewed by certiorari directly conflicts on a question of federal law with the decision of another Circuit Court of Appeals upon the *same question* the Supreme Court grants certiorari as of course and irrespective of the importance of the question of law involved. The importance in such cases lies in the preservation of uniformity of decisions in the Federal Courts upon points solvable by Federal law * * * a basic purpose of certiorari jurisdiction since its inception in 1891."

At §324, page 664 of the same textbook, after eliminating "ordinary patent cases" and stating that they will not be reviewed save in most exceptional circumstances, "in the absence of conflict of decisions between different Circuit Courts of Appeals as to the validity of particular claims or as to infringement by the same or a substantially indistinguishable device," the authors, at page 664, say:

> "In addition, in the usual course of litigation of ordinary issues of patent validity and infringement, the opportunity exists and is exercised of having suits involving the same or substantially the same issues brought and determined in several ciruits" (citing *Triplett v. Lowell, 297* U. S. 638, and continuing):
>
> "Error in the appreciation of facts will ultimately show in conflicting decisions."

The authors of the textbook last mentioned state that the book contains only decisions relating to certiorari under circumstances here under consideration from 1931 to January, 1936.

Specific Cases of the Supreme Court Recognizing the Right to Institute Suits in Other Jurisdictions on the Same Issues Previously Decided.

Walker on Patents (Deller's Edition), §608, beginning last paragraph, page 1906, says (our italics):

> "The points of law actually decided by the Circuit Court of Appeals of any Circuit are binding upon all the District Courts in that circuit [Edison Electric Co. v. Bloomingdale, 65 Fed. 212, 214, C. C., N. Y. (1894); Thomson-Houston Electric Co. v. Mahar, 112 Fed. 534, C. C., N. Y. (1898)]; *but not on any court in any other circuit.* [See Edison Electric Co. v. Bloomingdale, 65 Fed. 212, 214, C. C., N. Y. (1894).] And the points of law actually decided by any judge, holding any United States District Court, are followed by every other judge holding any United States District Court, unless they have been reversed by a Circuit Court of Appeals, or by the Supreme Court, or are contrary to other decisions of equal or superior dignity, *or appear to be erroneous.*" (Citing half a page of cases.)

We emphasize that the decision of the Circuit Court of Appeals of any circuit is not binding on any court in any other circuit; also, that even points of law can be repudiated in other litigation in another circuit if they "appear to be erroneous."

Of course the District Court of Dallas cannot determine whether the decision of the Circuit Court of Appeals for the Ninth Circuit "appears to be erroneous" until it hears the evidence in this case; and remember also that if it appears that any fact assumed without evidence by the Circuit Court of Appeals is *mistaken,* as we expect to show in several most vital respects by official, clear and uncontrovertible records of the Patent Office,

any law applicable to such erroneously assumed fact or facts would have no support.

In Walker on Patents (Deller's Edition), Vol. 3, §609, bottom of page 1908, the author discusses the importance of uniformity of decisions, except, as he states, where a different decision is "required by a different state of evidence," citing *Barnes Sprinkler Co. v. Walworth Mfg. Co.*, 51 Fed. 88, 89. In the same section (609) of Walker, near the top of page 1909, the author says:

> "Still it is the duty of every court to decide cases 'right'; and to that end every judge is bound to decide his cases 'according to his own convictions' rather than according to the convictions of any other judge of any coordinate tribunal [Lowell v. Triplett, 77 F. (2d) 556, 561-574, C. C. A. 4 (1935), aff'd 297 U. S. 638, 642-4, 80 L. Ed. 949 (1936)] * * *."

Walker on Patents (Deller's Edition), page 1908, §609, says (our italics):

> "It sometimes occurs that the evidence in a number of cases, pending in a number of District Courts, is ***substantially the same.*** Where one such case has been carefully argued and deliberately decided in a District Court, all the other District Courts are apt to follow that decision [Hammerschlag Mfg. Co. v. Bancroft, 32 Fed. 585, C. C., Ill. (1880); Hammerschlag Mfg. Co. v. Spaulding, 35 Fed. 67, C. C. Mass. (1888); Pratt v. Wright, 65 Fed. 99, C. C., N. Y. (1890); Cutler-Hammer Co. v. Hammer, 124 Fed. 222, C. C., Ill. (1903)] ***except where a different decision is required by a different state of evidence.*** [Barnes Sprinkler Co. v. Walworth Mfg. Co., 51 Fed. 88, 89, C. C., Ill. (1892).]"

Cases in Different Jurisdictions Need Not Be Between Different Parties.

In the argument on behalf of Baker Oil Tools, defendant in this case, before the California court, which we have heretofore mentioned, counsel took the position and repeatedly affirmed that the Supreme Court only considered certiorari when the suits in the different jurisdictions were between *different* parties, suggesting that this precludes them from application of the doctrine of *res judicata* and implying that if they had been between the same parties such doctrine would have some application. Here again let us remind that there is no case whatsoever cited by counsel where the Supreme Court held that to be reviewable on certiorari conflicts of different circuits as to validity and infringement of Letters Patent had to be between different parties.

There can be no doubt that a very large proportion of conflicting decisions of the circuits taken on certiorari were between different parties, such as between the patent owner and the manufacturer of the infringing device in one circuit, and the patent owner or perhaps a distributor or user in another circuit—each of the separate acts of making, selling and using being, under elementary law, separate acts of infringement.

There are very few manufacturers who distribute under their own names and through their own organizations to users outside the locality of their manufacturing operations. A very large portion of them necessarily must distribute to users through dealers in other jurisdictions. This accounts for the large proportion of such suits where there are different parties.

The present case is extraordinary in that defendant is such a large organization that it happens to have a branch under its own name in Texas, from which it distributes. However, it also has dealers, sellers and users in Texas, and even the use by a purchaser of the infringing apparatus could be sued on apart from the manufacturer.

It is obvious that if we had selected a dealer or a distributor as defendant for the suit in Texas, Baker Oil Tools, Inc., the manufacturer, would have been compelled to take over the defense of such suit, as such dealer or user would not have sufficient interest in the case to defend it at its own expense. Such suit against the dealer or user would, therefore, have not been of any advantage or benefit to Baker Oil Tools, Inc.—its necessity as *real party in interest* to defend would have been the same. But counsel is mistaken in several instances in assuming that all the cases on certiorari arose or grew out of suits against different parties.

As we shall later make clear, each or any of the acts of making, selling or using constitutes infringement. A lady purchases a package of patented hair pins for ten cents, which purchase is not an infringement, although the selling is an infringement. Immediately thereafter she opens the package and uses one of the hair pins. The lady is sued for the infringement of use. Now, of course she would not expend the time or money for defending any such suit, but would undoubtedly notify the department store where she purchased the hair pins, who would notify the manufacturer, with the result that, in order to prevent a default decree, the manufacturer, being the *real party in interest,* would have to defend.

We are insisting that after suit in one district against a manufacturer, a second suit in another jurisdiction need not be against a seller or user. It may be against the same party for other and additional infringements not passed upon in the first decision. Opposing counsel has taken the position that the second suit, despite the vital question of actual interest, had to be between different parties.

For instance, counsel cited in the recent argument before Judge Beaumont of Los Angeles the case of *Sanitary Refrigerator Company v. Winters,* 280 U. S. 30, as involving different parties. In this, counsel is mistaken. There were two suits in equity in the litigation last referred to, charging infringement of Letters Patent on door latches. The first was in the District Court for the Eastern District of Wisconsin by grantees of the patent sued on against the Sanitary Refrigerator Company; but as Dent Hardware Company manufactured and sold the door latches to the Refrigerator Company, the Dent Company, although not a party to the suit, employed counsel and conducted the defense of the Refrigerator Company at its own expense, thus becoming party.

The second suit was brought by the same plaintiff as the first suit directly against the manufacturer of the latches, Dent Hardware Company. Therefore, in effect, both proceedings were by the same plaintiff against the Dent Hardware Company, manufacturer.

Again counsel was mistaken in referring to *Wine Railway Appliance Company v. Enterprise Railway Equipment Company,* 297 U. S. 387, stating that this case in-

volved no conflict between the same parties. Mr. Justice McReynolds delivered the opinion of the court:

> "In 1922, respondent, Equipment Company, sued the petitioner for infringing certain patents. April 25, 1923, petitioner, Appliance Company, by counter-claim, charged that respondent had infringed its patents and asked for damages. The District Court dismissed both bill and counter-claim. The Circuit Court of Appeals held one of petitioner's patents valid and infringed and remanded the cause for an accounting."

The foregoing is sufficient to show that this suit was between the same parties, the Equipment Company and the Appliance Company, charging each other with infringement of different patents. Although the parties were the same, the Supreme Court took the case on certiorari; so that counsel's statement that different parties must be involved is shown to be untrue.

The case of *Lincoln Engineering Company v. Stewart-Warner Corporation*, 302 U. S. 682, 58 Sup. Ct. 410, decided March 28, 1938, is another case where the same parties were involved. This was taken by the Supreme Court on certiorari to the Circuit Court of Appeals for the Seventh Circuit. Mr. Justice Roberts, speaking for the Supreme Court, said:

> "The district court [15 F. Supp. 571; 30 U. S. P. Q. 343; 16 F. Supp. 778; 31 U. S. P. Q. 171, 195; 91 F. (2d) 757; 43 U. S. P. Q. 92] has held the Petitioner guilty of contributory infringement of the Butler patent. * * * We granted certiorari because of an alleged conflict with our decision in Rogers v. Alemite Corporation, reported 292 U. S. 415; 29 U. S. P. Q. 311."

Here the same parties were involved in the infringement litigation of the Butler patent, and not different parties, and the Supreme Court did not require a suit in another jurisdiction, reaching a different conclusion, to take the case on certiorari, but reached out to a prior decision between other parties and other subject-matter which was in conflict to sustain its jurisdiction on certiorari. This is shown clearly in a statement in 34 U. S. P. Q. 92, where the Circuit Court of Appeals said, "Appellee is owner of the Butler patent; Appellant is the distributor of the Lincoln Engineering Company of St. Louis, Missouri * * *." Here the parties were nominally the same, as the manufacturer conducted the defense as the manufacturer would have to do in the Texas suit if we join distributor or user to the manufacturer as a party.

The General Law of Res Judicata Does Not Apply in the Instant Case.

A reference to the decision of said Ninth Circuit Court of Appeals on appeal of 2243-B, Appeal No. 10,997 (153 F. (2d) 972) will show that Crowell lost the appeal because he did not prove *title* to the claims in suit. There was hardly a quibble that the claims in suit *did* read in letter and spirit on the devices charged to infringe. They did so read. There can be no doubt that the court found the claims not infringed because, Crowell not having title, *there could be no infringement.*

In the next to the last paragraph of said decision (153 F. (2d) 972) the court said:

> "The finding of the trial court that the patent claims of the patents in suit were not infringed we find it unnecessary to disturb, because we sustain the findings and conclusion of invalidity; which means

that there are no patents to infringe in the manner complained of. We, of course, refer only to the claims in dispute."

There was no reason why either the District Court or the Court of Appeal should have passed upon infringement of the claims after finding them without validity.

We have stated that the general law of *res judicata*, regardless of any exception which we have shown to have been made in prior decisions of this court in patent cases, is not in any respect or on any theory applicable to the case at bar. In order to make our meaning very clear in support of our last statement, we here set forth a very simple illustration of what we believe to be the working of the doctrine of *res judicata* in any case:

We ask the indulgence of the court in considering this very simple illustration, particularly because we used it before the Circuit Court of Appeals of the Fifth Circuit, and incidentally also the Ninth Circuit, and neither opposing counsel nor either of the courts gave it any consideration; on the contrary, totally ignored it—which confirms our strong conviction that it was disregarded because it could not be logically answered otherwise than in accordance with our contention: A is the owner of a lot of land. B, without the license and consent of A, and against A's protest, enters upon the lot and destroys part of the lawn. A sues B for trespass. In his complaint he, of course, alleges that he is the owner of the lot, and let us say that in answer to such allegation defendant states that he is without knowledge, and therefore leaves plaintiff A to strict proof. The case comes on for trial,

and A overlooks entirely his proof of allegation of title but thoroughly proves the act of B in destroying the lawn. The judgment of the court is in favor of B because of failure of A to prove title, and the judgment is allowed to become final. Later, B again enters upon the same land and destroys more of the lawn against the protest of A. Again A sues. Now, no one has ever questioned A's title to the land; his title is, in fact, impregnable. This time A thoroughly proves title, as well as trespass. Is there anything in the doctrine of *res judicata* which would prevent A in the second suit from complaining of a new trespass and from proving the facts concerning his title? Or is B to have a continued license to go upon the land at will and destroy other parts of the lawn indefinitely?

In the present case, Crowell fails in 2243-B to prove his title to the claims in suit. There is no real question as to trespass (infringement) for the claims, as before stated, read in letter and in spirit on the devices and methods charged to infringe.

Because he failed to prove his title in the first case, is he justly to be precluded from establishing his title as against the same party, Baker Oil Tools, Inc., on a new and additional trespass, or, with greater force, as against any seller or sellers or user or users of the devices charged to infringe who are guilty of trespassing (infringement). But you say that Crowell's title was at issue in the first suit, 2243-B So it was in the land illustration.

Remember again that the sole purpose of these certiorari proceedings is to pave the way for Crowell to institute suit or suits in jurisdictions other than the California court jurisdiction—to sue not only Baker Oil Tools, Inc., in such other jurisdictions for the acts of making, but also, if he elects, to sue any user or users, seller or sellers using or selling infringing equipment made by Baker Oil Tools, Inc., whether made in the Texas jurisdiction or any other jurisdiction—except California.

We remind the court of the very elementary law that making constitutes an infringement, selling constitutes a separate infringement, and using constitutes still another infringement.

In Walker on Patents (Deller's Edition), page 1680, §450, it is said:

> "The grant of a patent confers upon the patentee 'the exclusive right to make, use, and vend the invention or discovery throughout the United States, and the Territories thereof,' for the term of seventeen years. [Rev. Stat., §4884, U. S. Code, Title 35, §40.] Such exclusive franchise secured by the patentee consists only in *the right to exclude* others from making, using, or vending the patented invention, without the permission of the patentee."

After citing many authorities (not necessary to repeat—the matter is very elementary) under the same section, page 1681, Walker says:

> "An infringement is the unauthorized making or using or selling of the patented invention. [Christensen v. Nat. Brake & Elect. Co., 18 F. (2d) 981; George Close Co. v. Ideal Wrapping Machine Co., 29 F. (2d) 533, 535, C. C. A. 1 (1928).]"

The Effect of Establishing the Rule Contended on Behalf of Respondent.

As we have seen, and as the court well knows, in our quotation *supra* from the textbook entitled "Jurisdiction of the Supreme Court of the United States" by Robertson and Kirkham, at page 664, §324 of said textbook, ordinary patent cases are not taken by this court on certiorari save in most exceptional circumstances "in the absence of conflict of decisions between different Circuit Courts of Appeals as to the validity of particular claims or as to infringement by the same or a substantially indistinguishable device." Of course it is quite obvious that if the court, without any conflict between circuits, took every decision of the Circuit Court of Appeals in a patent suit on certiorari, this would amount virtually to an appeal in every patent case from every Circuit Court of Appeals.

Robertson and Kirkham, as we have seen, at §112 have stated that "By far the greatest number of cases considered by the Supreme Court are those coming by certiorari to the Court of Appeals." If this court is not taking ordinary patent suits but only conflicts between different circuits, it would relinquish practically all right, except in most exceptional cases, of review of patent cases by certiorari—a practice which we have heretofore urged has been consistently followed by the Supreme Court since 1891.

There Is No Possible Basis for the Summary Judgment and Its Affirmance Dismissing on the Ground of Res Judicata as to Claims *Never* in Issue in Any Preceding Litigation, and Refused in Such Preceding Litigation to Be Passed Upon Because Not in Issue.

At the end of the opinion of the Circuit Court of Appeals for the Ninth Circuit, reported at 153 F. (2d) 972, the court says:

> "The appellee [Baker, respondent here] claims that the trial court should have decreed the appellant's patents in suit to be wholly void, but in the absence of a cross-appeal that matter cannot be considered."

Thus it is clear that the California courts found *only the claims in issue in said courts, invalid,* and refused to declare invalid other claims which were before the Texas Court, but were not before the California courts. But exactly what claims are in issue here which were not in issue in the California litigation?

In paragraph IV [Tr. 4], V [Tr. 5] and VI [Tr. 5] of the complaint in this Texas case, the patents here in suit are identified as follows:

(1) Gilstrap *et al,* No. 2,168,735, granted August 8, 1939;

(2) Crowell No. 2,177-172, granted October 24, 1939;

(3) Crowell No. 2,223,442, granted December 3, 1940.

In paragraph VIII of the complaint [Tr. 6] plaintiff (petitioner here) charges as infringement of the Gilstrap patent above identified all twenty-three claims of said patent except claims 5 and 16 by making, selling and using Baker Multiplex Cementing Equipment.

In the same paragraph VIII of the complaint [Tr. 6] plaintiff charges as infringement of Crowell patent 2,177,-172 the making, using and selling of the equipment of apparatus called by defendant Baker Cement Retainer Models F and K in infringement of claims 9, 10, 11, 12 and 13, and (end of paragraph VIII of the complaint) the using and making and selling for use its Multiplex Cementing Equipment as infringement of claims 6 and 7.

In the same paragraph VIII of the complaint [Tr. 6] plaintiff charges as infringement of Crowell patent 2,-223,442 claims 2, 3, 6 and 7 the using and selling to others for use of said Baker Cement Retainers Models F and K.

From the opinion of the Ninth Circuit (153 F. (2d) 972) (two-thirds down first column, page 976) it is clear that Gilstrap claims 1 through 15 and 17 through 23 were involved, claim 16 being the only one not passed upon in the California litigation. In the action at bar claim 2 is omitted from our charge of infringement.

Of Crowell patent 2,177,172, claims 9 through 16 and 19 and 20 were involved in the California litigation (two-thirds down second column, page 981). Of Crowell patent 2,223,442, claims 13 and 14 were involved (two-thirds down second column, page 981) as shown by the court's opinion.

For the convenience of the court, let us summarize the statements just above set forth:

(1) Of the Gilstrap patent all the claims in issue before the California courts except claim 2 are charged as infringed in the Texas suit by appellee defendant; *but always remember by other and different acts of infringement than* those passed upon by the California courts.

(2) As to Crowell patent 2,177,172, the situation is as follows: Claims 9 through 16 and 19 and 20 were declared invalid in the California litigation. In the case at bar, claims 9 through 13 are charged as infringed, omitting claims 14, 15 and 16 in issue in the California litigation, the charge of infringement being of Models F and K Cement Retainers. But note further that plaintiff charges infringement of claims 6 and 7 of said Patent 2,177,172 by defendant's Multiplex Cementing Equipment. Claims 6 and 7 were not involved in the California litigation, and their validity was not passed upon.

(3) As to Crowell patent 2,223,442: Claims 2, 3, 6 and 7 are charged in the complaint in the case at bar (paragraph VIII) to have been infringed by Models F and K Cement Retainers. None of these claims were passed upon in the California litigation.

We remind again that there is no showing in the case at bar that because the *names* of the devices and methods charged to infringe are the same, that the devices called by such names are the same as before the court in the California litigation. The court should not, therefore, assume any such fact. There is an obvious fallacy in assuming that objects called by the same names are necessarily of the same character.

Near the bottom of page 2 of the court's opinion (153 F. (2d) 972) (near top of second column, page 974) the court says that there were thirty-four claims of all three patents in suit charged to be infringed.

In the next to last paragraph of the opinion, page 982, the court says:

> "The finding of the trial court that the patent claims of the patents in suit were not infringed we

find it unnecessary to disturb, because we sustain the findings and conclusion of invalidity; which means that there are no patents to infringe in the manner complained of. *We, of course, refer only to the claims in dispute.*" (Our italics.)

In the opinion of the Ninth Circuit, beginning last line page 974, it is said:

"The trial court decided all the issues in favor of the appellee, declaring the appellant's said patents void as to all claims therein, *except* claim 16 of Gilstrap patent and claims 1 to 8 and 17 of No. 2,177,172 and claims 1 to 12, inclusive, of No. 2,223,442; and enjoined the appellant from asserting its claims against the appellee's customers. The appellant appeals from the decree."

How can the doctrine of *res judicata* be applied to the subject-matter and infringements which the alleged prior adjudication did not pass upon, because not in issue? Counsel begs the question when he simply refers to the *names* which he calls his devices charged to infringe. Further consideration and review of the case should convince beyond any question that the claims are largely different and the infringements are different. But we have heretofore had much to say in the argument as to our right to *re-litigate even the same claims and the same infringements.*

Allowance of Attorneys' Fees by the District Court Not Authorized by Law.

At the end of paragraph XVI of our petition for certiorari, we also stated our contention that allowance of attorneys' fees by said District Court was beyond the court's jurisdiction and not allowable under the circum-

stances. Let us briefly again review the circumstances: After we had perfected our appeal, and while the case was still pending in the Circuit Court of Appeals for the Fifth Circuit, before mandate filed, on a motion on behalf of Baker Oil Tools Company, the District Court on the 5th day of January entered an order allowing attorneys' fees in favor of Baker Oil Tools Company in the sum of $1,000. The mandate of the Circuit Court of Appeals was filed the day following, January 6.

The alleged ground for such allowance was Title 35, §70 of the United States Code, as amended by the Act of August 1, 1946. As we have seen, and as the record shows, the District Court was not requested at or before the entry of the summary judgment dismissing on the ground of *res judicata* to award any attorneys' fees, and the order provided only for the recovery of costs. [Tr. 40.]

The only alleged authority is in the last sentence of Title 35, §70, and the last sentence is part of the amendment to said section. It reads as follows:

> "The court may, in its discretion, award reasonable attorneys' fees to the prevailing party upon the *entry of a judgment* upon any patent case." (Our italics.)

This provision is clear. There is no room for construction or interpretation. The law distinctly says "upon the entry of judgment." It does not say after the entry of judgment and while pending in the Circuit Court of Appeals, nor does it say after the case is remanded. If such fees could be awarded at any time after the entry of the judgment and after its affirmance, it would be difficult to place a time limit.

Note also that the court is authorized "in its discretion to award fees." Of course an abuse of discretion could and should be corrected by this tribunal. We have as part of the record the docket entries in said District Court showing that counsel not only stipulated to the transfer of the case to the Dallas Division, but prosecuted and defended many proceedings, agreed to the setting of the case for trial, and after long delay, and just before trial date, filed a motion to dismiss on the ground of *res judicata*. If counsel had filed his motion promptly before apparently consenting to the jurisdiction of the District Court for the Northern District of Texas, it would save much time, expense and cost for both parties, and there was no reason why counsel should not have taken such course and prevented such expenditure of time and money. We urge that the trial court abused its discretion, under the circumstances, when it entered said order allowing $1,000 attorneys' fees.

The Cases Cited or Referred to in the Opinion of the Circuit Court of Appeals for the Fifth Circuit Do Not Sustain Affirmance of the Dismissal on the Ground of Res Judicata.

The only case directly referred to in said opinion is *Baldwin v. Iowa State Traveling Men's Assn.*, 283 U. S. 522. There is nothing in this case which conflicts with the arguments we have heretofore fully set forth. The principal question in the cited case under consideration was as to the validity of service of process. While apparently the objection of defendant in that case was moved, it was waived by failure to appeal to the Circuit

Court of Appeals. This case affords no support for the judgment and its affirmance of which we complain. All rights were saved by Petitioner in this case, and none of them were waived. The case contains no answer or suggestion thereof as to the proper decision of the points Petitioner has insisted upon in the present application for certiorari.

In the remaining cases referred to in the note at the end of the opinion of said Circuit Court of Appeals, no certiorari was applied for.

The first of these is *Tucker Mfg. Co. v. Cross, et al.*, C. C. A. 5th, 8 F. (2d) 994. Apparently in this case none of the grounds and reasons which we have emphasized were brought to the attention of the trial court or the Court of Appeals, and none were passed upon.

Aleograph Co. v. Electrical Research Products, C. C. A. 5th, 82 F. (2d) 625: There was no question of validity of any patent in this case. The claims were found not infringed. The same claims and the same infringements were charged against the same patents. This does not apply to the case at bar. None of the grounds most earnestly relied upon in this case were brought to the attention of the court, nor discussed, and the Supreme Court was not requested to take the case on certiorari.

Caterpillar Tractor Co. v. International Harvester Co., 120 F. (2d) 82 (C. C. A. 5th): There is nothing whatsoever in this case which purports to meet or answer the argument upon which we have relied in the case at bar.

It is to be noted that the Circuit Court of Appeals did not attempt to apply any of the references of its opinion.

Conclusion.

That—

(1) A consistent practice of this court since 1891 authorizes patent suits in more than one circuit, and in cases of conflict between circuits on questions of validity and infringement on the same claims of letters patent, the propriety of review and settlement of such conflicts by this court seems beyond question.

(2) Nothing is more obvious than that no defense of *res judicata* is applicable to matters not decided in any previous litigation, and expressly refused to be passed upon in such prior litigation, because not there in issue.

(3) If certiorari is not proper in ordinary patent suits to review judgments of a Circuit Court of Appeals therein, unless this court should take conflicts between circuits as to validity and infringement of letters patent, the practice of this court for the last fifty-six years would be departed from, and there would rarely be an occasion for any exercise of this courts' power on certiorari in any patent case.

(4) Under the facts and circumstances of this case, it is clear that there is no room for the operation of any rule of *res judicata*.

(5) Allowance of attorneys' fees by the District Court of the Northern District of Texas is not authorized by law under circumstances of this case.

(6) Even assuming that such attorneys' fees could be allowed under the law, the circumstances of this case show that any such allowance is an abuse of discretion by reason of the long delay or laches in bringing any such defense to the attention of the court, during which time plaintiff was put to great expense.

Respectfully submitted,

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